

17-12-401. Professional partnerships, corporations, and limited liability companies of certified public accountants.

(a) A partnership engaged in this state in the practice of public accounting shall register with the Arkansas State Board of Public Accountancy as a partnership of certified public accountants, provided it meets the following requirements:

(1) At least one (1) general partner must be a certified public accountant of this state in good standing; and

(2) Each resident manager in charge of an office of the partnership in this state must be a certified public accountant of this state in good standing.

(b) A corporation engaged in this state in the practice of public accounting shall register with the board as a corporation of certified public accountants, provided it meets the following requirements:

(1) Any officer or director of the corporation having authority over the practice of public accounting by the corporation in this state must be a certified public accountant of some state in good standing;

(2) At least one (1) shareholder of the corporation must be a certified public accountant of this state in good standing;

(3) Each resident manager in charge of an office of the corporation in this state must be a certified public accountant of this state in good standing; and

(4) The corporation must be in compliance with other regulations pertaining to corporations practicing public accounting in this state that the board may prescribe.

(c) A limited liability company engaged in this state in the practice of public accounting shall register with the board as a limited liability company of certified public accountants, provided it meets the following requirements:

(1) Any manager, member, officer, or director of the limited liability company having authority over the practice of public accounting by the limited liability company in this state must be a certified public accountant of some state in good standing;

(2) At least one (1) member of the limited liability company must be a certified public accountant of this state in good standing;

(3) Each resident manager in charge of an office of the limited liability company in this state must be a certified public accountant of this state in good standing; and

(4) The limited liability company must be in compliance with other regulations pertaining to limited liability companies practicing public accounting in this state that the board may prescribe.

(d) Application for registration must be made upon the affidavit of a general partner, shareholder, or member who is a certified public accountant of this state in good standing.

- (e) The board shall in each case determine whether the applicant is eligible for registration.
- (f) A firm which is so registered may use the words "certified public accountants" or the abbreviation "CPAs" in connection with its partnership, corporate, or limited liability company name.
- (g) Notification shall be given to the board within one (1) month after the admission or withdrawal of a partner, shareholder, or member from any firm so registered.
- (h) Any firm registered pursuant to this section may include non-licensee owners or public accountants who hold a valid license under § [17-12-312](#), provided that:
 - (1) A majority of the ownership of the firm in terms of financial interests and voting rights of all partners, officers, directors, shareholders, members, or managers belongs to holders of certificates who are licensed in some state, and such partners, officers, directors, shareholders, members, or managers whose principal place of business is in this state and who perform professional services in this state hold a valid certificate issued under § [17-12-301](#) et seq. or the corresponding provisions of prior law;
 - (2) The firm designates a licensee of this state who is responsible for the proper registration of the firm and identifies that individual to the board;
 - (3) All nonlicensee owners are active individual participants in the firm; and
 - (4) The firm complies with such other requirements as the board may impose by rule.
- (i)(1)(A) Any partnership, corporation, or limited liability company licensed to practice public accountancy by another state which is in good standing and is determined to be in substantial compliance with the AICPA/NASBA Uniform Accountancy Act but does not have at least one (1) general partner, shareholder, or member who is a certified public accountant of this state in good standing, may apply for registration under this section contemporaneously with an application by a general partner, shareholder, or member to be licensed as a certified public accountant in this state.
- (2) The application for registration of the firm shall be upon the affidavit of the applicant to be licensed as a certified public accountant of this state.
- (2)(A) Upon review and a preliminary determination that the applicant qualifies for registration as a certified public accountant firm under this section, except that the firm does not have at least one (1) general partner, shareholder, or member who is a certified public accountant of this state, the board shall notify the applicant in writing of receipt of its application and that the applicant shall have the privilege to practice public accountancy in this state for a period of ninety (90) days in order to permit the general partner, shareholder, or member to complete the application process.
- (B) The board may extend the ninety-day practice privilege period for one (1) additional thirty-day period upon the applicant's written request and demonstration that the failure of the general partner, shareholder, or member to complete the application process is beyond the control of the applicant firm and certified public accountant.
- (3) The fees paid to apply for registration of the applicant firm and licensure of the general partner, shareholder, or member for registration shall not be refundable.
- (4) While exercising the practice privilege during the application process, each applicant shall comply

with this chapter and board rules, and each applicant firm, general partner, shareholder, and member shall be subject to the provisions of § [17-12-601](#) et seq.

History. Acts 1975, No. 160, § 8; A.S.A. 1947, § 71-618; Acts 1997, No. 242, § 9; 1999, No. 180, § 23; 2005, No. 54, § 12.